

Instructions for Licensing of NASA Glenn Research Center Patents

1. An application for a license of a NASA Glenn Research Center (GRC) patent shall be addressed to:

NASA Glenn Research Center
Technology Transfer & Partnership Office
Attn: Robert A. Kistemaker, Center License Administrator
21000 Brookpark Road
Mail Stop 4-8
Cleveland, Ohio 44135

The application shall be in writing and per regulations at 37 CFR 404, shall include the following information **in the ordered format specified below:**

- (a) Identification of the invention for which the license is desired including the patent application serial number or patent number, title, and date, if known;
- (b) Identification of the type of license for which the application is submitted (ex: exclusive, non-exclusive, or partially exclusive). If the prospective licensee requests an exclusive or partially exclusive license, its application shall set forth the reasons why the grant of an exclusive or partially exclusive license is necessary to achieve the prospective licensee's objectives. Applicants are also advised that federal regulations require that a public notice, with an opportunity for comment and objection, must be given to any proposal by a federal agency to grant an exclusive or partially exclusive patent license. That public notice must be achieved by a notice published in the Federal Register. Any objections to a proposed exclusive or partially exclusive license must be submitted in writing within at least fifteen (15) days of the notice of publication. Exclusive or partially exclusive domestic licenses may be granted on federally owned inventions three months after notice of the invention's availability has been announced in the Federal Register. An application for a non-exclusive license does not require the placement of a notice and public comment period.
- (c) Name and address of the person, company, or organization applying for the license and the citizenship or place of incorporation of the applicant;
- (d) Name, address, and telephone number of the representative of the applicant to whom correspondence should be sent;
- (e) Nature and type of applicant's business, identifying products or services which the applicant has successfully commercialized, and approximate number of applicant's employees;

- (f) Source of information concerning the availability of a license on the invention;
- (g) A statement indicating whether the applicant is a small business as defined in 37 CFR Sec. 404.3(c);
- (h) A detailed description of the applicant's plan for development or marketing of the invention, or both, which should include:
 - (1) A statement of the time, nature and amount of anticipated investment of capital and other resources, which the applicant believes, will be required to bring the invention to practical application;
 - (2) A statement as to the applicant's capability and intention to fulfill the plan, including information regarding manufacturing, marketing, financial, and technical resources;
 - (3) A statement of the fields of use for which the applicant intends to practice the invention; and
 - (4) A statement of the geographic areas in which the applicant intends to manufacture any products embodying the invention and geographic areas where the applicant intends to use or sell the invention, or both;
- (i) Identification of licenses previously granted to the applicant under federally owned inventions;
- (j) A statement containing the applicant's best knowledge of the extent to which the invention is being practiced by private industry or the Government, or both, or is otherwise available commercially;
- (k) A royalty payment proposal which shall consist of three (3) components:
 - (1) A nonrefundable license fee that is a fixed amount and must be paid to NASA before NASA issues the license. If the license being sought is an exclusive license, NASA will require a significant nonrefundable license fee. Further information can be obtained from the NASA GRC Customer Liaison Specialist assigned to the license application.
 - (2) A running royalty, which can be expressed as a percent of gross sales of the royalty base products, or which can be expressed in terms of a fixed amount per year; and
 - (3) A minimum royalty which will only be due if the running royalty is not met in a given year. The minimum royalty is intended to

incentivize the licensee to successfully commercialize the invention. The minimum royalty due in a given year will be negotiated between NASA Glenn and the prospective licensee.

- (l) A copy of the applicant's most recent balance sheet and income statement. If the applicant is publicly traded, the audited balances sheets and income statements should be submitted.
 - (m) Any other information which the applicant believes will support a determination to grant the license to the applicant.
- 2. The applicant's proposal to license a GRC invention will be reviewed by a Customer Liaison Specialist of the Technology Transfer and Partnership Office, technical personnel familiar with the invention, and GRC's Patent Counsel. If the proposal is found to be unacceptable, or inconsistent with GRC's plans for commercialization of the invention, the Customer Liaison Specialist will notify the applicant. Depending upon the circumstances, the Customer Liaison Specialist may be able to assist the applicant in revising the proposal in order to make it acceptable.
- 3. If the application is deemed to be acceptable to GRC, then GRC's Patent Counsel shall prepare a draft license agreement and will forward it to the applicant. The draft license agreement is in a format prescribed by NASA Headquarters and which has proved to be successful in many patent licenses at all of the NASA field centers. Federal law requires most of the provisions in the draft license agreement. Nevertheless, the applicant is encouraged to have the draft license agreement reviewed by its own counsel, preferably a licensed patent attorney. Applicants who want to make changes to the agreement without compelling reasons, may run the risk of having the draft license agreement being rejected either by GRC's Patent Counsel or the NASA Headquarters Director of Patent Licensing.

If the applicant finds the draft license agreement to be acceptable, then the applicant should execute three (3) originals of the license agreement and return them to GRC's Patent Counsel. The applicant shall also forward at this time its check in the amount of the agreed upon nonrefundable license fee made payable to the National Aeronautics and Space Administration.

- 4. Current regulations provide that all NASA patent licenses shall be signed by the Administrator of NASA or his delegate. Consequently, GRC's Patent Counsel will forward the draft license, which has been signed by the applicant, to the Director of Patent Licensing at NASA Headquarters in Washington, D.C. for review. If the Director of Patent Licensing finds the draft license to be acceptable, then that individual shall forward it to the NASA Administrator, or his delegate, for signature, recommending that the license be granted. If the license is granted, NASA will send the license agreement, with the original signatures, to the licensee for its records.

5. The check for the nonrefundable license fee will not be cashed until the license is granted. If the license is not granted, the check will be returned to the applicant, or destroyed, if the applicant so directs.